

VZCZCXR07726  
RR RUEHCN RUEHGH  
DE RUEHGH #0250/01 1160902  
ZNR UUUUU ZZH  
R 260902Z APR 07  
FM AMCONSUL SHANGHAI  
TO RUEHC/SECSTATE WASHDC 5754  
INFO RUEHBJ/AMEMBASSY BEIJING 1017  
RUEHCN/AMCONSUL CHENGDU 0591  
RUEHGZ/AMCONSUL GUANGZHOU 0572  
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UNCLAS SECTION 01 OF 02 SHANGHAI 000250

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NSC FOR KURT TONG

E.O. 12958: N/A

TAGS: EFIN EINV PREL CH

SUBJECT: CSRC ISSUES DRAFT REGS FOR NYSE/NASDAQ REP OFFICES

REF: SHANGHAI 83

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11. (SBU) Summary: On April 25, the China Securities Regulatory Commission (CSRC) published draft rules to allow foreign stock exchanges, such as NYSE or NASDAQ, to open representative offices in China as had been promised during the initial Strategic Economic Dialogue (SED) talks in December 2006 (Ref A). Comments on the draft were due by May 10, and it appeared that the CSRC was attempting to finalize the rules in time for the upcoming SED talks in Washington, DC. The rules themselves did not appear to be particularly onerous, according to contacts. Other foreign stock exchanges were also planning to open offices in China as soon as allowed. End summary.

12. (U) In an April 25 draft, entitled